Rs. 22½ lakhs, plus interest at 3 per cent per annum on this amount from the date when the first instalment was paid by the Cochin Government, plus a royalty of Rs. 1½ lakhs. The negotiations relating to the transaction are now nearing completion and we expect to get from the Port Authority Rs. 28·42 lakhs on this account. This arrangement will enable us to reduce our commitments on the Harbour works to the extent of Rs. 28·42 lakhs, and will also be of real advantage to the Port Authorities. As we have the greatest financial stake in the Port it is to our interest to do everything to maintain the financial solvency of the Port, and from this point of view the arrangement is one which is beneficial to both the parties. If the scheme finally comes through, the Government of India will lend this amount to the Port Authorities in order to enable the latter to pay the purchase money to the Cochin Government. As in the case of the other areas comprised within the port limits, this sale also will be subject to the sovereignty and jurisdiction of His Highness over this land.

COMMUNICATIONS.

11. The work on the two big schemes of waterway communications, namely, the Appankat Canal at Narrakkal and the Shanmukham Canal at Irinjalakkuda has been undertaken during the current year. The land acquisition for the former work has been completed, and according to the original understanding arrangements are being made with the people to secure their co-operation for digging the canal. An estimate amounting to Rs. 1·80 lakhs has been sanctioned for the construction of the Shanmukham Canal. The land acquisition proceedings are going on briskly. An understanding has been reached with the Irinjalakkuda Municipality by which the Council has agreed to guarantee a minimum return of 4 per cent on the capital invested on this scheme, and in return the Municipality would share in the excess profits of the undertaking. It is confidently hoped that the construction of this canal will materially increase the prosperity of Irinjalakkuda as a commercial centre and will also bring in a substantial additional revenue to the Municipality. I mentioned in my last budget speech that the proposal for constructing a road to serve as an outlet for the Anamallais Plantation was under contemplation. Though a detailed survey was made and estimates prepared the work has been abandoned for the present. Government found that it would not be safe to undertake this work at a cost of over Rs. 8 lakhs without adequate guarantees from the interests concerned. As it was found that the guarantees were not forthcoming Government have decided to abandon the scheme for the present.

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